



# MINUTES

## Long-Term Care System Task Force

September 16, 2004

### MEMBERS PRESENT:

Cochairperson Senator Maggie Tinsman  
Senator Joe Bolkcom  
Senator Julie Hosch  
Senator Amanda Ragan  
Senator Neal Schuerer

Representative Ro Foege  
Representative Mary Lou Freeman  
Representative Mark Smith  
Representative Linda L. Upmeyer

## MEETING IN BRIEF

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Organizational staffing provided  
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- I. Procedural Business.
- II. Department of Elder Affairs.
- III. Department of Human Services.
- IV. Department of Inspections and Appeals.
- V. Iowa Department of Public Health.
- VI. Iowa Finance Authority.
- VII. Discussion of Vision for Iowa Long-Term Living System.
- VIII. AARP Iowa.
- IX. Iowa Council of Health Care Centers.
- X. Iowa Health Care Association/Iowa Association for Assisted Living.
- XI. Iowa Association of Area Agencies on Aging.
- XII. Iowa Association of Homes and Services for the Aging.
- XIII. Iowa Coalition of Home and Community-Based Services for Seniors.
- XIV. Older Iowans Legislature.
- XV. Written Materials Distributed.



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### I. Procedural Business.

**Call to Order.** Temporary Cochairperson Senator Tinsman called the meeting of the Long-Term Care System Task Force to order at 10:08 a.m., Thursday, September 16, 2004, in Room 116 of the State Capitol Building.

**Election of Permanent Cochairpersons.** Members of the Task Force elected temporary Cochairpersons Senator Tinsman and Representative Heaton as permanent Cochairpersons.

**Adoption of Rules.** Members of the Task Force adopted procedural rules which are available, upon request, from the Legislative Services Agency.

**Next Meeting.** The Task Force agreed to tentatively schedule the Task Force's second meeting for November 17, 2004, at 10:00 a.m.

**Adjournment.** The meeting day recessed at 12:34 p.m., reconvened at 12:58 p.m., and adjourned at 3:29 p.m.

### II. Department of Elder Affairs.

Mr. Mark Haverland, Director, Iowa Department of Elder Affairs (DEA), testified regarding the rebalancing of the long-term care system in Iowa. He defined rebalancing as changing the ratio of money spent on institutional care to money spent on home and community-based services (HCBS). He stated that while people and states appear to prefer HCBS, the Medicaid Program favors institutional care. Director Haverland stated that some rebalancing has occurred over the past 10 years due, in part, to the Senior Living Program, conversion of nursing facility beds to less restrictive care, the Case Management Program for the Frail Elderly (CMPFE), the elderly waiver, market forces, and improved HCBS access.

Director Haverland provided a number of suggestions for causing more rebalancing, including using fast track eligibility determinations, using a universal assessment, raising the reimbursement rates for HCBS providers, increasing the elderly services budget, taking advantage of naturally occurring retirement communities, using an aging and disability resource center, using consumer-directed care, using managed care, using improved building and housing designs, designation of elder-friendly communities, using charter facilities, sharing data between departments, allowing assisted living as an elderly waiver service, using a substitute decision-maker program because Iowa is one of only a few states without this program, and using continuous care retirement communities, long-term care insurance, and better consumer education.

Director Haverland testified that future issues and challenges include mental health concerns, rural concerns, payment responsibility, physical laborers, death and dying, the caregiver workforce, and elder abuse and exploitation. He noted that the goal of the DEA is to make Iowa a healthy, safe, productive, and enjoyable place for older people to live and work. He also noted that the family is the center of any long-term care system, and that provision of long-term care is stressful for families.

Some members expressed concern regarding the large number of seniors who rely on Social Security for more than 50 percent of their income and the fact that 30 to 40 percent of seniors will depend upon the state for financial assistance in receiving long-term care. Director Haverland



suggested that Iowa needs to market itself as a place to retire and that older people are moving back to the state.

### **III. Department of Human Services.**

Mr. Kevin Concannon, Director, Iowa Department of Human Services (DHS), testified that Medicaid is a partnership between the State of Iowa and the federal government which allows the DHS to provide a continuum of medical services to needy Iowans. He noted that in order to be eligible for the Medicaid Program, a person must meet income limits and fit into a category such as a child, an adult with disabilities, or an elderly person. Director Concannon stated that Medicaid pays Iowa health care providers over \$2 billion a year to care for, on average, 275,000 Iowans each month who cannot afford to purchase health insurance which meets their health care needs. Director Concannon stated that Medicaid provides substantial financial support to Iowa counties to fulfill their responsibilities to care for persons with mental challenges and those with developmental disabilities. Director Concannon stated that the terms of the partnership are set out in the Iowa State Medicaid Plan which explains how the program works, eligibility, and reimbursement, and certifies that the state is aware of and complies with federal Medicaid rules. Director Concannon stated that while the number of elderly in the Medicaid Program has remained steady over recent years, the number of people with disabilities in the Program has increased. Director Concannon explained that optional Medicaid services are the services that a state may opt to provide to the citizens of the state under the state's Medicaid Program. He noted that in the real world, "optional" services are actually essential services.

Director Concannon discussed new initiatives and requirements for Medicaid. Director Concannon stated that Iowa is developing a preferred drug list for prescription drugs and is in the process of expanding its lock-in program in an effort to control utilization by very high-end users. Director Concannon stated that Iowa has planned expansion of its disease management program and of its primary care case management program. He noted that the Department is trying to determine the future impact that the federal Medicare Prescription Drug (Part D) Program will have on the DHS local offices since there are so few Social Security offices in Iowa and the federal government requires the state to make the local offices available. He stated that the future impact could be significant.

Director Concannon stated that a universal assessment program can serve as a good planning tool for families, and that the states that use universal assessment make it available to any elder or person with a disability. Director Concannon also mentioned a number of grant programs that the DHS is involved with including the rebalancing initiative grant, the quality assurance and quality improvement HCBS grant, the integrating long term supports in affordable housing grant through the Iowa Finance Authority, and the Robert Wood Johnson cash and counseling project.

Senator Bolkcom asked Director Concannon to keep the General Assembly informed as to the use of DHS offices for the Medicare prescription drug (Part D) program which he characterized as an unfunded mandate.

Director Concannon noted that universal assessment is central to rebalancing the long-term care system because it assists families in making informed choices. Cochairperson Tinsman noted that the Governor's task force on long-term care is focusing on the universal assessment issue.



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### **IV. Department of Inspections and Appeals.**

Mr. Steve Young, Director, Iowa Department of Inspections and Appeals (DIA), testified that three divisions in the Department provide services that impact long-term care in Iowa: the Health Facilities Division, the Investigations Division, and the Administrative Hearings Division.

Director Young stated that the Health Services Division is authorized to license, certify, inspect, and provide regulatory oversight for more than 1,200 health care facilities, assisted living programs, elder group homes, and adult day services programs. He stated that health care facilities include residential care facilities, nursing facilities, skilled nursing facilities, intermediate care facilities for person with mental retardation, residential care facilities for persons with mental retardation, residential care facilities for persons with mental illness, and intermediate care facilities for persons with mental illness. Director Young stated that the division is also the state survey agency for purposes of determining compliance with federal certification requirements by health care service providers for participation in the Medicare and Medicaid programs. He noted that in conducting these surveys, the state must apply federal statutes and the regulations promulgated by the Centers for Medicare and Medicaid services (CMS).

Director Young stated that the Investigations Division conducts criminal investigations of alleged abuse and neglect of residents in long-term care facilities that receive Medicaid reimbursements. He stated that the Division also conducts divestiture investigations to look into allegations that residents have been defrauded of personal funds or possessions. Director Young stated that the Division investigates allegations of fraud by persons or entities providing goods or services being paid for by Medicaid.

Director Young noted that the Administrative Hearings Division conducts quasi-judicial contested case hearings involving Iowans who disagree with an administrative ruling issued by a state government agency.

Director Young discussed new initiatives and proactive efforts that the Department has undertaken recently. These efforts include the hiring of a full-time general counsel; the successful adjustment of the state match rate for survey and certification expenditures; the hiring of five dedicated complaint investigation surveyors; the reclassification of employees in the central office complaint unit to assist in complaint intake, oversight, and consistency; the addition of an investigator to the Investigations Division to assist in collection efforts; the generation of a Top 16 list of most troubling nursing facilities; collaboration with the Iowa Caregivers Association and other agencies to expand the current Nurse Aide Registry to include direct care workers; changes to the Department's website and database; the hiring of retired surveyors to assist in times of increasing complaints; and efforts to pursue legislative initiatives to strengthen regulatory enforcement.

### **V. Iowa Department of Public Health.**

Ms. Berdette Ogden, Iowa Department of Public Health, testified regarding the Department's continuum of services for the citizens of the state. The continuum begins with services aimed at children's health and includes immunizations, nutritional education, dental health programs, tobacco prevention programs, and screening programs. Healthy adult programs focus on maintaining health for as long as possible and early prevention and detection of chronic disease.



For seniors, the focus is to provide personal health services and home maintenance programs that will allow the older adult to remain at home for as long as possible. Ms. Ogden stated that a universal assessment tool is important and could lessen the need for long-term care.

### **VI. Iowa Finance Authority.**

Ms. Carla Pope, Service Enriched Housing Director, Iowa Finance Authority (IFA), testified regarding housing's role in long-term care. Ms. Pope stated that safe, adequate, affordable housing should be a piece of Iowa's vision for long-term care. Ms. Pope stated that IFA has identified need through the Iowa Plan for Community Development developed by the Olmstead Real Choices Consumer Task Force and the 2002 Housing Study by Dr. Heather McDonald of the University of Iowa. Ms. Pope stated that affordable assisted living efforts are targeted toward Medicaid-eligible seniors with a monthly income between \$564 and \$900. Ms. Pope also identified some current and recent affordable assisted living efforts in the state. Ms. Pope stated that IFA's Iowa Housing Action Plan is aimed at and includes empowerment and consumer education, affordable rental options, homeownership, building relationships between housing agencies and service agencies, and universal design, accessibility, and home modifications.

Ms. Pope also testified regarding IFA's accomplishments relating to housing and long-term care. These accomplishments include approaching the Department of Human Services with a proposal designed to improve access to community-based services; surveying public housing authorities to develop a clear picture of how housing choice vouchers are administered for people with disabilities; awarding a \$150,000 three-year capacity building grant; accepting section 8 vouchers for homeownership under a first-time homeownership program; administering the Home and Community-Based Rent Subsidy Program for Medicaid waiver eligible consumers on behalf of the Department of Human Services; providing matching funds in order to receive a grant award totaling \$1.6 million from the federal government to establish low-interest loan programs through the Iowa Able Foundation; establishing two new loan programs; establishing a revolving loan fund to promote alternatives to nursing facilities pursuant to 2004 Iowa Acts, Senate File 2298; supporting the goals of the Senior Living Trust; and submitting an application for a CMS Real Choices Systems Change Grant.

### **VII. Working Lunch — Discussion of Vision for the Iowa Long-Term Living System.**

The members utilized the lunch period to discuss a vision for the Iowa long-term living system. The members based their discussion on the following documents which are available on the Committee website: "Proposed Vision for Iowa's Long-Term Living System", "Benchmarks of Iowa's Long-term Care system from SF 2190", "Reshaping Long-Term Care in Minnesota", and documents provided by Iowa's Olmstead Real Choices Consumer Task Force.

The members discussed changes to the language of the proposed vision document and asked that staff incorporate the changes for review and approval at a future meeting. The concepts to be added are:

- Changing the term "long-term care" to "long-term living" as appropriate.
- Changing the term "residential" to "facility-based".



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- Incorporating the use of a universal assessment into the description of the long-term living system.
- Replacing the phrase "will not be eroded" with "will be sustained".
- Including the phrase "including housing" as part of the new delivery and financing models.
- Incorporating the idea that regulation of the long-term living system should ensure the health, safety and welfare of consumers while not being overly burdensome.

### **VIII. AARP Iowa.**

Mr. John McCalley, Associate State Director for Public Affairs, AARP Iowa, testified that long-term care has been one of the premier concerns of AARP members over the last five years. He stated that AARP Iowa intends to ask candidates for the Iowa House of Representatives and the Iowa Senate to complete a questionnaire that asks them to explain how they will expand access to more choices of quality care options so that older Iowans and people with disabilities can live independently in their own homes for as long as possible. Mr. McCalley stated that surveys of Iowans have shown that Iowans strenuously oppose cuts in health care and long-term care services for older persons and people with disabilities and that Iowans strongly support increasing the current cigarette tax to \$1.36 per pack in order to adequately support health and supportive services.

In an effort to improve individuals' access to long-term care services and assure quality, Mr. McCalley suggested increasing consumer control and decision-making; supporting caregivers through respite care and tax credits; making it easier to find the services that are right for an individual's circumstances; building an efficient system to deliver services, whether in homes, communities, or institutions; increasing training and numbers of direct care staff across all settings; and improving coordination between medical and long-term care.

Mr. McCalley stated that AARP Iowa supports the Senior Living Program Act of 2000 and encourages lawmakers to build on it because thousands of Iowans want access to home and community-based services but lack adequate funding or access.

Mr. McCalley noted that the baby boom generation will stretch the limits of all retirement security programs, not just health and supportive services, and that AARP Iowa, therefore, supports tax incentives for the purchase of long-term care insurance and tax credits for family caregivers who provide informal care without pay. Mr. McCalley also expressed support for a universal assessment tool which he termed a community choice counseling program.

### **IX. Iowa Council of Health Care Centers.**

Mr. George Appleby, Iowa Council of Health Care Centers, testified regarding nursing facilities in Iowa, noting that his association represents some of the for-profit nursing facilities in the state. He stated that until the late 1990s reimbursement for nursing facilities was based on cost, but that this outmoded system was successfully replaced with an acuity-based system.

Mr. Appleby stated that the state must provide an array of services as part of the long-term care system and that typically the average resident entering a nursing facility today is at least 85 years



old and has high acuity needs. Mr. Appleby cautioned against drastically reducing the number of nursing facility beds due to the projected increased demand for such services in the future as the baby boom generation ages and also because any drastic reduction would have a detrimental economic impact on the state. Mr. Appleby stated that industry-wide there are not many empty beds in nursing facilities. He expressed support for the concept of a universal assessment tool, but wanted to reserve judgment as to support of a specific assessment tool until the details are specified.

### **X. Iowa Health Care Association/Iowa Association for Assisted Living.**

Mr. Dana Holland, noted that his organization represents the interests of both nonprofit and proprietary long-term care providers including skilled nursing facilities, nursing facilities, assisted living programs, senior housing communities, residential care facilities, HCBS, home health care and adult day care and respite care. He noted that Iowa is making progress in rebalancing the long-term care system by moving to more HCBS alternatives and reducing nursing facility usage, and that his organization supports these efforts as long as consideration is given to quality, access and cost. He noted that recommendations for the future include continuing to implement the case-mix reimbursement system, enhancing consumer outreach and education about planning for long-term care, continuing to provide incentives for improving long-term care insurance programs and for persons who purchase long-term care insurance, and providing incentives for consolidation of nursing facilities in over-served markets while considering the potential effects of the loss of facilities on access and the economy. Mr. Holland also noted that his organization supports a quality assurance fee to assist with financing the system and that Medicaid spending should be viewed as an investment, not a cost to the state since the majority of the funding goes back into wages for Iowans.

### **XI. Iowa Association of Area Agencies on Aging.**

Ms. Donna Harvey, Iowa Association of Area Agencies on Aging, stated the Association's support for the concept of a universal assessment program. She expressed the belief that the Iowa Association of Area Agencies on Aging as part of a nationwide network of area agencies on aging charged with providing services consistently under the Older Americans Act is uniquely positioned in all 99 counties in the state to administer a universal assessment program. Ms. Harvey stated that the Association is required to provide information and assistance as a core service and to establish focal points of service and information access. This requires the maintenance of a database of existing services that are available on the Internet as well as through one-on-one counseling at each of the local agencies. Ms. Harvey expressed the hope that the Association would be utilized in the State's efforts to provide long-term care services and support.

### **XII. Iowa Association of Homes and Services for the Aging (IAHSA).**

Ms. Kristie Oliver, Vice President of Government Relations, noted that IAHSA represents 128 nonprofit nursing facilities, continuing care retirement communities, senior housing, residential care facilities, assisted living facilities, and HCBS providers. The IAHSA supports the national program of "Quality First" which promotes quality of care and life in aging services. The IAHSA supports the



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goals of the Senior Living Program, supports consumer-directed long-term care, and supports consideration of the entire continuum of services in rebalancing efforts.

Ms. Oliver discussed the barriers to a diversified and integrated system of aging services which included the fragmentation and inadequacy of funding for home and community-based services; people with disabilities generally need affordable housing, supportive services, and transportation as well as health care in order to remain in community settings; flat funding for the Older Americans Act, social services block grants, and senior housing and transportation at a time when the population of elders and people with disabilities continues to grow; the difficulty of creating another business or activity in a nursing home; and the need to review transfer criteria assisted living.

Ms. Oliver provided recommendations for diversifying and integrating the system of aging services including reevaluating and upgrading HCBS provider rates; continuation of the modified price case mix reimbursement methodology of payment of services in nursing facilities; the need for a Medicaid waiver for assisted living services that is simple, easy to access, and offers adequate reimbursement to encourage providers to offer the service; the need to implement a uniform assessment throughout the continuum of long-term care; enhanced consumer education and marketing; the need to evaluate low occupancy facilities to determine which facilities should cease operation due to the possible future required investment for sprinkler systems; and retaining access to and the safety of nursing facilities.

### **XIII. Iowa Coalition of Home and Community-Based Services for Seniors.**

Mr. David Purdy, Iowa Coalition of Home and Community-Based Services for Seniors, stated that the current home and community-based system can serve as a strong starting platform for any system changes. Mr. Purdy stated that areas for improvement within the current system include the lack of service options, particularly in rural areas; entry into the system can be challenging, confusing, and often occurs at a time of crisis; too little marketing of the available options; the need for additional support for caregivers; the need for more consumer choice; caps in the system that miss vulnerable populations; high turnover of direct care staff; and the excessive reliance on Medicaid funds.

Mr. Purdy identified current initiatives to change the system that home and community-based service providers are involved with including seamless grants; affordable assisted living; service coordination; an elder abuse initiative; and caregiver support programs.

Mr. Purdy suggested that the current system should be used as a foundation for future changes; that a key component of any system change should be the development and use of a universal assessment tool; that fast track eligibility needs to be established for accessing services; that a cost-of-living adjustment for all long-term care providers should be established; that the long-term incorporation of case management as an elderly waiver reimbursed service should occur; that an easier way for families to access the system must be developed; that more support needs to be given to family caregivers; that more marketing of services needs to occur; and that exploration of revenue increases to help fund long-term care should occur.





### **XIV. Older Iowans Legislature.**

Mr. Graham Fee, Older Iowans Legislature, stated the focus of the long-term care efforts should be providing assistance to less fortunate seniors, not providing benefits to all seniors. He stated that most seniors want to stay in their own homes as long as is possible and then move to an assisted living situation as an intermediate step. Mr. Fee suggested that a cost of living adjustment should be considered in the Elder Waiver Program. Mr. Fee urged a consideration of costs before any changes take place. Mr. Fee encouraged the continuation of funding of the Senior Living Trust. Mr. Fee urged coordination between nursing home facilities, assisted living facilities, and home and community-based service providers. Mr. Fee stressed the need for consistency of assessments and the need for standards for assisted living facilities around the state.

### **XV. Written Materials Distributed.**

1. Background materials submitted by Ms. Patty Funaro, Legislative Services Agency including attachments provided by the Department of Elder Affairs, the Department of Human Services, the Department of Inspections and Appeals, and the Iowa Department of Public Health.  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF000.PDF>
2. "Long Term Care in Iowa"; Long-Range Plan draft (summary); and PowerPoint handout submitted by Mr. Mark Haverland, Director, Iowa Department of Elder Affairs.  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF001.PDF>
3. "Iowa Department of Human Services Long Term Care Services" submitted by Mr. Kevin Concannon, Iowa Department Human Services.  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF002.PDF>
4. "Background Information for the Long-Term Care System Task Force" submitted by Mr. Steve Young, Director, Department of Inspections and Appeals.  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF003.PDF>
5. "Iowa Department of Public Health Long-Term Living Program Summary" submitted by Ms. Berdette Ogden, Iowa Department of Public Health.  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF004.PDF>
6. "Housing's Role in the Vision for Long Term Care in Iowa"; "Affordable Assisted Living: A Demand Without a Supply"; and "Housing for Persons with Disabilities State Action Plan: Priority Activities" submitted by Ms. Carla Pope, Iowa Finance Authority.  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF005.PDF>
7. "Proposed Vision for Iowa's Long-Term Living System"; and "Goals and benchmarks of Iowa's Long-term Care system from SF 2190" submitted by Co-chairperson Senator Tinsman; and "Reshaping Long-Term Care in Minnesota".  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF006.PDF>
8. "AARP Iowa Presentation" submitted by Mr. John McCalley, AARP Iowa.  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF006.PDF>



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9. "Long Term Living in Iowa" and "2004 Legislative Forum" submitted by Mr. Dana Holland, Iowa Health Care Association.  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF008.PDF>
10. Written statement submitted by Mr. Donna Harvey, Iowa Association of Area Agencies on Aging. <http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF009.PDF>
11. Written statement submitted by Ms. Kristie Oliver, Iowa Association of Homes and Services for the Aging.  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF010.PDF>
12. Written statement submitted by Mr. David Purdy, Iowa Coalition of Home and Community-Based Services for Seniors.  
<http://staffweb.legis.state.ia.us/lsadocs/IntComHand/2005/IHPAF011.PDF>

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